

Competitive Oil & Gas Lease Sale

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, NM



October 20, 1999



New Mexico
Oklahoma
Kansas
Texas



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

www.nm.blm.gov



IN REPLY REFER TO:

3120 (93200-bco)

NOTICE OF COMPETITIVE LEASE SALE

Oil and Gas

SALE LOCATION ADDRESS

**Bureau of Land Management
1474 Rodeo Road
Santa Fe, New Mexico 87505**

Notice is hereby given that on **October 20, 1999**, the U.S. Department of the Interior, Bureau of Land Management, New Mexico State Office, will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures herein, certain Federal lands for oil and gas leasing.

LOCATION: The sale will be held in the second floor conference room, at the Bureau of Land Management, 1474 Rodeo Road, Santa Fe, New Mexico, 87505. You must be present to bid.

TIME: The competitive oral auction will commence at 9 a.m. on **October 20, 1999**. The sale room will be open to the public one hour prior to the time indicated above, to allow each interested party time to obtain a bidding number from authorized Bureau personnel.

REGISTRATION AND BIDDING NUMBERS: Bidders will be required to obtain a bidding number prior to making any bid. Registration of bidders is required to speed paperwork and will commence at 8 a.m., October 20, 1999.

LANDS OFFERED: The lands to be offered are described herein. Parcels will be offered for oral bid in the order shown in this Notice of Competitive Lease Sale.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12-1/2 percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease (Form 3100-11b, October 1992 edition).

OTHER CONDITIONS: Specific surface use stipulations, where applicable, are specified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. Further details regarding the stipulations can be obtained from the New Mexico State Office.

MINIMUM BID: The minimum acceptable bonus bid will be the lump sum equivalent of \$2 per acre or fraction thereof.

METHOD OF BIDDING: All bids shall be made orally and be based on a per-acre basis for the entire acreage in the parcel and not on the total bid amount. The bid must be rounded up to the next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290.00 (\$2 X 645 acres) to open the bidding process.

FRACTIONAL INTERESTS: For some of the parcels, as indicated in the list, the United States holds less than 100 percent of the oil and gas rights. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management reserves the right to withdraw any or all of the parcels from the sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the Public Room at the New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico, 87505.

DETERMINATION OF WINNING BID: A winning bid will be the highest oral bid, equal to or exceeding the national minimum acceptable bid specified above. The decision of the auctioneer shall be final.

PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE: A bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75 per parcel. Failure to pay this minimum deposit may result in assessment of civil penalties pursuant to the Federal Oil and Gas Royalty Management Act. This amount must be tendered at the close of business 4:00 the day of the sale. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received by the New Mexico State Office by the close of business on the tenth (10th) working day following the auction, which is 4:00 p.m., November 3, 1999, or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any parcel so forfeited may be re-offered by BLM competitively at a later oral auction. Successful bidders for the future interest parcels are subject to these same conditions except (2) above in that no rental or royalty shall be due to the United States prior to the vesting of the oil and gas rights in the United States.

FORM OF PAYMENT: Payment shall be made by personal check, certified check, or money order (SUCH FORMS OF PAYMENT MUST BE MADE PAYABLE TO THE DEPARTMENT OF THE INTERIOR - BLM), or by CREDIT CARD (VISA OR MASTERCARD ACCEPTED ONLY). Payment by cash is NOT allowed.

BID FORM REQUIRED; AVAILABILITY: Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit WITH the required payments for each parcel on the day of the oral auction of such parcel, a properly signed current competitive lease bid form (Form 3000-2, October 1989). A separate bid form must be submitted for each parcel. This form is a legally binding offer by the prospective lessee to accept a lease pursuant to the terms and conditions specified herein for the parcel and on the standard lease form. Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (See 43 CFR 3102.5-2) and also certified compliance with 18 U.S.C. 1860, which prohibits unlawful combination of/or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion. Forms 3000-2 and 3100-11b are made a part of this sale notice.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized officer, be effective the first day of the month in which issued. Leases for future interest shall be effective as of the date the mineral interests vest in the United States, all else being regular.

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and no noncompetitive presale offers are pending, and which have not been withdrawn from the sale by BLM, shall be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a 2-year period. The 2-year period shall commence at 9 a.m., October 21, 1999, the hour the public room opens on the first business day after the auction, and ending at 4 p.m., October 20, 2001. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified at 43 CFR 1821.2-3(a). A drop box will be available at the auction for noncompetitive offers for any parcel which has received no national minimum acceptable bid and all offers placed in the box shall be considered simultaneously filed during the first business day following the close of the oral auction. The drop box will be available until 1 hour following the close of the oral auction. Conflicting applications filed during the first business day following the auction and/or placed in the drop box at the sale will be prioritized by public drawing. This drawing will be held in the BLM Public Room in Santa Fe, NM at 3 p.m. on October 25, 1999.

PENDING NONCOMPETITIVE PRALE OFFERS: A presale noncompetitive offer filed in accordance with 43 CFR 3110.1(a) for a parcel offered at the sale, and for which no bid is

received, has first priority over an offer filed after the sale. Parties are cautioned that any lands in a parcel not sold at the auction, which are subject to a pending noncompetitive presale offer, may not be available for further noncompetitive filings. Those lands will be issued to the party who submitted the presale offer, all else being regular. However, if it is announced at the beginning of the sale that the presale offer has been withdrawn, noncompetitive filings will be accepted after the sale for that parcel. Parcels with pending noncompetitive presale offers are identified in this Notice of Competitive Lease Sale by the notation "Pending Presale Offer No." . .", indicated after the parcel description.

PUBLIC NOTICE

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by a check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

DUE TO BUDGET RESTRAINTS, EXTRA COPIES OF THE SALE NOTICE WILL NO LONGER BE PROVIDED AT THE SALE. HOWEVER, THEY WILL BE AVAILABLE FOR PURCHASE FROM THE CASHIER.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT THE NEW MEXICO STATE OFFICE AT (505) 438-7540 BY October 4, 1999. THE SALE SITE IS ACCESSIBLE TO THE HANDICAPPED.

**Becky C. Olivas
Land Law Examiner
Fluids Adjudication Team**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115
IN REPLY REFER TO:



3120 (93210-bco)

August 27, 1999

NOTICE

The Bureau of Land Management will hold four (4) Competitive Oil and Gas Lease Sales during Fiscal Year 2000. The tentative scheduled dates are shown below:

<u>Sale Date(s)</u>	<u>Expression of Interest (EOI) Closing Date(s)*</u>	<u>Mail to the Public</u>
01/10/2000	09/17/1999	11/23/1999
04/19/2000	12/17/1999	02/25/2000
07/19/2000	03/17/2000	05/17/2000

***Federal lands administered by an agency outside of the Department of the Interior require Surface Management Agency (SMA) consent. Meeting the closing dates does NOT guarantee your EOI will be on the scheduled sale date. Every effort will be made to offer your EOI in a timely manner.**

To receive the Oil and Gas Lease Sale Notices or Results, or to be placed on our mailing list contact our Accounts Section at (505) 438-7462.

You may also view the Sale Notices/Results information by visiting our web site at www.nm.blm.gov, under What We Do, then click on the Oil and Gas Leasing Program posted and available to you on the date mailed to the public.

**Becky C. Olivas
Land Law Examiner
Fluids Adjudication Team**

PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD
APPEAR ON THE ISSUED LEASE

NEW BIDDER REGISTRATION FORM

BIDDER NO. _____
(LEAVE BLANK)

NAME: _____

TELEPHONE: _____

STREET: _____

CITY: _____

STATE: _____ ZIP CODE: _____

THE LESSEE MUST BE QUALIFIED TO HOLD A
FEDERAL OIL AND GAS LEASE.

SIGNATURE

DATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No. _____

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name _____
Street _____
City, State, Zip Code _____

2. This application/offer/lease is for: (Check only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: _____ *Parcel No.: _____ *Sale Date (m/d/y): _____ / _____ / _____
***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee \$ _____ Rental fee \$ _____ Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. _____ R. _____ Meridian _____ State _____ County _____

Total acres in lease _____
Rental retained \$ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (*except helium*) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

THE UNITED STATES OF AMERICA

☐ Noncompetitive lease (ten years)

by _____
(Signing Officer)

☐ Competitive lease (ten years)

(Title) (Date)

☐ Other _____

EFFECTIVE DATE OF LEASE _____

(Continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 _____.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½ %;
- (b) Competitive lease, 12½ %;
- (c) Other, see attachment; or as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

**COMPETITIVE OIL AND GAS OR
GEOTHERMAL RESOURCES LEASE BID**

30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED
OMB NO. 1004-0074
Expires: May 31, 2000

	State	Date of sale
	AMOUNT OF BID (See Instructions below)	
PARCEL NUMBER	TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one): <input type="checkbox"/> Oil and Gas Parcel Number _____		
<input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____		

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee	Signature of Lessee or Bidder	
Address of Lessee		
City	State	Zip Code

INSTRUCTIONS

**INSTRUCTIONS FOR OIL AND GAS BID
(Except NPR-A)**

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid **must** be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance **must** be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, **must** be submitted to the proper BLM office within 10 working days after the last day of the oral auction. **Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.**
3. If bidder is **not** the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.
4. This bid may be executed (*signed*) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

**INSTRUCTIONS FOR GEOTHERMAL OR
NPR-A OIL AND GAS BID**

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
2. Bid **must** be accompanied by one-fifth of the total amount of bid. The remittance **must** be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark envelope Bid for Geothermal Resources Lease in (*Name of KGRA*) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If bidder is **not** the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

OFFICIAL FILE COPY

Form 3000-2 (July 1997)

QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (*including partnerships and trusts*) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220..

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit..

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036 and the Office of Management and Budget, Desk Officer for the Interior Department, Office of Regulatory Affairs (1004-0074), Washington, D.C. 20503.

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
October 20, 1999 LEASE SALE STATISTICS BY STATE
Parcels With and Without Presale Noncompetitive Priority Offers

STATE	Parcels With Presale Offer	Parcels Without Presale Offer	Parcels	Total Presale Offer	Acres With Presale Offer	Acres Without Presale Offer	ACRES	TOTAL
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NM	0	76	76	0.00	76,834.66	76,834.66		
KS	0	4	4	0.00	994.40	994.40		
OK	0	3	3	0.00	598.52	598.52		
TX	0	4	4	0.00	108.20	108.20		
TOTALS	0	87	87	0.00	78,535.78	78,535.78		

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
OCTOBER 20, 1999 OIL AND GAS LEASE SALE

PARCEL							ACQ	FUTURE	ACRES
STATE	MERI-	TOWN					OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION		PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)			REV DATE	OLD SERIAL NO.

9910001	6TH	34S	16W	08	SENW,NWSW;	P	N	80.0000
KS								
COMANCHE								ORA-2
100.00%								ORA-4
								KSNM 66974

9910002	6TH	34S	17W	11	SESE;	P	N	40.0000
KS								
COMANCHE								ORA-1
100.00%								ORA-2
								ORA(LN-1)
								KSNM 66974

9910003	6TH	34S	27W	15	S2SE;	P	N	80.0000
KS								
MEADE								ORA-2
100.00%								ORA(LN-1)
								KSBLM 031473

9910004	6TH	35S	43W	07	1,2;	A	N	794.4000
KS				07	E2W2;			
MORTON				18	1,2;			FS1
100.00%				18	NE,E2W2;			FS2(KS)LN1
				19	1,2,3,4;			FS2(KS)LN3
								KSNM 90934

CIMARRON NATIONAL GRASSLANDS

9910005	NMPM	30N	12E	29	SW;	P	N	720.0000
NM				30	SE;			
TAOS				31	E2;			TS-3(NSO)
100.00%				32	N2NW;			

PARCEL							ACQ	FUTURE	ACRES
STATE	MERI-	TOWN					OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION		PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)			REV DATE	OLD SERIAL NO.

9910006	NMPM	19N	01W	26	NE,N2SE,SESE;	P	N	280.0000
NM								
SANDOVAL								RP-5
100.00%								NMNM 80914

9910007	NMPM	26N	02W	26	S2SW;	P	N	80.0000
NM								
RIO ARRIBA								NM6
100.00%								NMNM 28811

9910008	NMPM	30S	14W	01	1,2,3,4,5,6,7,8,9,10,11;	P	N	1,384.5600
NM				01	12,13,14;			
HIDALGO				01	S2NW,SW;			LC-18(NTL)
100.00%				12	1,2,3,4,5,6,7,8,9,10;			
				12	11,12;			
				12	W2;			NMNM 58747

9910009	NMPM	30S	14W	03	1,2,3,4;	P	N	1,914.2800
NM				03	S2N2,S2;			
HIDALGO				04	1,2,3,4;			LC-18(NTL)
100.00%				04	S2N2,S2;			
				09	ALL;			NMNM 58747

9910010	NMPM	30S	14W	05	1,2,3,4;	P	N	1,278.0800
NM				05	S2N2,S2;			
HIDALGO				06	1,2,3,4;			LC-18(NTL)
100.00%				06	S2N2,S2;			
								NMNM 39024
								NMNM 58747
								NMNM 58748
								NMNM 64868

PARCEL							ACQ	FUTURE	ACRES
STATE	MERI-	TOWN					OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.		SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST						(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910011	NMPM	30S	14W	07		ALL;	P	N	1,920.0000
NM				08		ALL;			
HIDALGO				17		ALL;			LC-18 (NTL)
100.00%									
									NMNM 58748
									NMNM 84792

9910012	NMPM	30S	14W	10		E2,E2W2,W2NW,NWSW;	P	N	1,840.0000
NM				11		ALL;			
HIDALGO				15		E2,E2W2,SWNW,W2SW;			LC-18 (NTL)
100.00%									
									NMNM 58747

9910013	NMPM	30S	14W	13		1,2,3,4,5,6,7,8,9,10;	P	N	1,336.3600
NM				13		11,12;			
HIDALGO				13		W2;			LC-18 (NTL)
100.00%				14		ALL;			
									NMNM 23093
									NMNM 34568
									NMNM 58747

9910014	NMPM	30S	14W	18		ALL;	P	N	2,360.0000
NM				19		N2,N2SE,SESE;			
HIDALGO				20		ALL;			LC-18 (NTL)
100.00%				21		ALL;			
									NMNM 23093
									NMNM 28828
									NMNM 64868

9910015	NMPM	30S	14W	22		ALL;	P	N	1,978.0000
NM				23		ALL;			
HIDALGO				24		1,2,3,4,5,6,7,8,9,10,11;			LC-18 (NTL)
100.00%				24		12;			
				24		W2;			
									NMNM 34568
									NMNM 58747

PARCEL	STATE	MERI-	TOWN				ACQ	FUTURE	ACRES
COUNTY	DIAN	SHIP	RANGE	SEC.		SUBDIVISION	OR	INTEREST	STIPULATIONS
U.S.INTEREST						(A NUMERIC W/O A PREFIX IS A LOT)	PD	(YES/NO)	NAME
								REV DATE	OLD SERIAL NO.

9910016	NMPM	30S	14W	25		1,2,3,4,5,6,7,8,9,10;	P	N	1,978.9600
NM				25		11,12;			
HIDALGO				25		W2;			LC-18 (NTL)
100.00%				26		ALL;			
				35		ALL;			
									NMNM 34568
									NMNM 39548
									NMNM 58747

9910017	NMPM	30S	14W	27		ALL;	P	N	1,440.0000
NM				28		E2,SENW,NESW;			
HIDALGO				34		N2,N2SE;			LC-18 (NTL)
100.00%									
									NMNM 64385
									NMNM 64386

9910018	NMPM	30S	14W	29		NE;	P	N	160.0000
NM									
HIDALGO									LC-18 (NTL)
100.00%									
									NMNM 64386

9910019	NMPM	30S	15W	01		1,2,3,4;	P	N	1,599.6000
NM				01		S2N2,S2;			
HIDALGO				11		E2;			LC-18 (NTL)
100.00%				12		ALL;			
									NMNM 23983
									NMNM 64868
									NMNM 84830

9910020	NMPM	30S	15W	13		E2,E2W2,W2NW,NWSW;	P	N	760.0000
NM				14		NE;			
HIDALGO									LC-18 (NTL)
100.00%									
									NMNM 23983
									NMNM 84830

PARCEL	STATE	MERI-	TOWN				ACQ	FUTURE	ACRES
COUNTY	DIAN	SHIP	RANGE	SEC.		SUBDIVISION	OR	INTEREST	STIPULATIONS
U.S.INTEREST						(A NUMERIC W/O A PREFIX IS A LOT)	PD	(YES/NO)	NAME
								REV DATE	OLD SERIAL NO.

9910021	NMPM	15S	17E	33	ALL;		P	N	1,280.0000
NM				35	ALL;				
CHAVES									SENM-S-17
100.00%									(SEC.33:W2,SE)
									(SEC.35: ALL)
									SENM-LN-3
									NMNM 81766

9910022	NMPM	17S	17E	03	2;		P	N	760.9500
NM				04	1;				
CHAVES				04	SENE,E2SE;				SENM-S-17
100.00%				09	E2NE;				(SEC.3: L2)
				10	W2NW;				(SEC.4: L1)
				15	N2,SWSW,SESE;				SENM-S-18
									(SEC.15:N2)
									SENM-LN-3
									NMNM 81767

9910023	NMPM	17S	17E	17	NE,N2SE;		P	N	1,760.0000
NM				20	N2,NWSW,SE;				
CHAVES				21	W2NW,SE;				SENM-S-18
100.00%				22	NENE,S2NE,SENW,N2SW;				(SEC.20:NWSW,SE)
				27	SWSW,E2SW,SE;				SENM-LN-3
				28	N2NE,NW;				NMNM 81768

9910024	NMPM	17S	17E	29	W2,SE;		P	N	1,782.9900
NM				30	1,2,3,4;				
CHAVES				30	NE,E2W2;				SENM-S-18
100.00%				31	3,4;				(SEC.29:W2;SEC.31:L3)
				31	E2SW;				(SEC.32:S2SWNE)
				32	SWNE;				(SEC.33:N2NWSW)
				33	W2SW;				(SEC.34:N2NESW)
				34	E2SW,SE;				SENM-S-19
				35	S2;				SENM-LN-3
									NMNM 81769

PARCEL	ACQ	FUTURE	ACRES
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STATE	MERI-	TOWN						OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.		SUBDIVISION		PD	(YES/NO)	NAME
U.S.INTEREST						(A NUMERIC W/O A PREFIX IS A LOT)			REV DATE	OLD SERIAL NO.

9910025	NMPM	15S	18E	25		ALL;		P	N	1,560.0000
NM				26		N2,N2S2,S2SW,SWSE;				
CHAVES				35		NWNE,S2NE,NENW,SE;				SENM-S-19
100.00%										SENM-LN-3
										NMNM 81770

9910026	NMPM	14S	20E	15		1,2,3,4,5,6,7;		P	N	565.4600
NM				15		S2NE,SENW,E2SW,SE;				
CHAVES										NMNM 31529
100.00%										NMNM 31722
										NMNM 32246
										NMNM 81772

9910027	NMPM	15S	20E	13		SWNW,S2S2;		P	N	2,520.0000
NM				14		E2NE,NW,S2S2;				
CHAVES				15		N2NE,NENW,SWNW,S2;				SENM-S-18
100.00%				22		N2,N2S2;				(SEC.14:NW)
				23		E2,E2W2;				(SEC.15: NENW)
				24		W2E2,W2;				NMNM 80188

9910028	NMPM	15S	20E	20		S2S2;		P	N	1,600.0000
NM				21		SWNE,S2NW,NWSE;				
CHAVES				28		ALL;				
100.00%				29		ALL;				NMNM 80189

9910029	NMPM	15S	20E	25		S2;		P	N	2,440.0000
NM				26		S2;				
CHAVES				33		ALL;				SENM-S-17
100.00%				34		ALL;				(SEC.33:N2SE;
				35		N2,N2S2,SWSW;				SEC.34: ALL
										SEC.35:N2S2,SWSW)
										SENM-S-18
										(SEC.25:SESE)
										(SEC.34:SESE)
										NMNM 80190

PARCEL	MERI-	TOWN						ACQ	FUTURE	ACRES
STATE								OR	INTEREST	STIPULATIONS

COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910030	NMPM	11S	21E	04	1,2,3;	N	N	2,539.3200
NM				04	S2NE,N2SE;			
CHAVES				06	4;			SENM-LN-1
100.00%				07	1,2,3,4;			SENM-S-17
				07	E2,E2W2;			SENM-S-18
				08	ALL;			SENM-S-19
				09	N2;			SENM-S-20
				15	N2;			
				22	N2N2,N2SE,SESE;			NMNM 80943

9910031	NMPM	15S	21E	35	1,2,3,4,5,6;	P	N	451.6100
NM				35	NE,NWNW;			
CHAVES								SENM-LN-1
100.00%								SENM-S-18
								NMNM 54824
								NMNM 57506
								NMNM 62142
								NMNM 70848

9910032	NMPM	19S	21E	13	ALL;	P	N	2,560.0000
NM				14	ALL;			
EDDY				23	ALL;			SENM-S-18
100.00%				24	ALL;			(SEC.13:S2N2,N2SW)
								(SEC.14:N2SW,SE)
								(SEC.23:NWNE,SENW,
								N2SW,SWSW)
								NMNM 66253
								NMNM 71543
								NMNM 76905

9910033	NMPM	19S	21E	15	ALL;	P	N	1,920.0000
NM				22	ALL;			
EDDY				25	ALL;			SENM-S-18
100.00%								(SEC.15:N2N2S2,SESE,
								S2SWSE)
								(SEC.22:N2NW,SESE)
								NMNM 76905
								NMNM 76906
								NMNM 82829

PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910034	NMPM	19S	21E	26	ALL;	P	N	2,240.0000
NM				27	ALL;			
EDDY				34	E2;			SENM-S-18
100.00%				35	ALL;			(SEC.27:W2NE,NWSE, N2SESW,SWSW)
								NMNM 43504
								NMNM 76906
								NMNM 81657
								NMNM 81658
								NMNM 81868

9910035	NMPM	20S	21E	01	1,2,3,4,5,6,7,8,9,10,11;	P	N	2,017.4500
NM				01	SWNE,S2NW,SW,W2SE;			
EDDY				11	ALL;			SENM-S-18
100.00%				12	1,2,3,4;			(SEC.1:S2S2;SEC.11:
				12	W2E2,W2;			NWNWNE,N2N2NW)
								NMNM 76908

9910036	NMPM	20S	21E	09	E2;	P	N	320.0000
NM								
EDDY								SENM-S-18
100.00%								(SEC.9:NWNWNE)
								NMNM 81869

9910037	NMPM	20S	21E	10	W2;	P	N	320.0000
NM								
EDDY								
100.00%								
								NMNM 76910
								NMNM 81869

9910038	NMPM	20S	21E	13	1,2,3,4;	P	N	1,285.9600
NM				13	W2E2,W2;			
EDDY				14	ALL;			SENM-S-18
100.00%								(SEC.13:NENE,S2NWNE, S2NW,N2NESW)
								(SEC.14:S2N2,SESESE)
								NMNM 76910

PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910039	NMPM	20S	21E	27	W2;	P	N	320.0000
NM								
EDDY								SENM-S-18
100.00%								(SEC.27:S2SESW)
								SENM-S-21
								SENM-LN-1
								NMNM 32397

9910040	NMPM	21S	21E	09	N2;	P	N	320.0000
NM								
EDDY								
100.00%								NMNM 76913

9910041	NMPM	10S	22E	17	SWNE,W2SE;	P	N	1,127.5500
NM				18	1,2;			
CHAVES				18	NE,E2NW;			SENM-S-18
100.00%				21	W2NW,SENW;			SENM-S-19
				29	E2,SW;			SENM-S-20
				31	E2SE;			SENM-LN-1
								NMNM 81773

9910042	NMPM	11S	22E	03	2,3;	P	N	806.9000
NM				04	2;			
CHAVES				04	SWNE,N2SW,NWSE;			SENM-LN-1
100.00%				05	3;			SENM-S-17
				05	SENW,N2SW,SESW,W2SE;			SENM-S-18
				06	4,5;			SENM-S-20
				06	SENW;			
				07	4;			NMNM 81774
				07	SENW,SESW;			

9910043	NMPM	11S	22E	18	SWNE;	P	N	531.5000
NM				19	3,4;			
CHAVES				19	E2SW,SE;			SENM-LN-1
100.00%				21	SW;			NMNM 81775

PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910044	NMPM	15S	22E	09	S2;	P	N	400.0000
NM				10	W2SW;			
CHAVES								SENM-LN-1
100.00%								NMNM 80684

9910045	NMPM	15S	22E	19	1,2,3,4;	P	N	1,318.0600
NM				19	E2,E2W2;			
CHAVES				30	1,2,3,4;			SENM-S-18
100.00%				30	E2,E2W2;			SENM-LN-1
				31	SESE;			NMNM 80685

9910046	NMPM	15S	22E	21	W2,S2SE;	P	N	1,680.0000
NM				27	E2, E2NW,SWNW,SW;			
CHAVES				28	ALL;			SENM-S-17
100.00%				33	SESW;			SENM-LN-1
								NMNM 80686

9910047	NMPM	14S	23E	26	ALL;	P	N	2,400.0000
NM				27	ALL;			
CHAVES				34	ALL;			SENM-S-20
100.00%				35	N2,N2SW,SWSW,NWSE;			SENM-LN-1
								NMNM 56343
								NMNM 68071
								NMNM 69563
								NMNM 80687

9910048	NMPM	15S	23E	01	1,2,3,4;	P	N	959.5200
NM				01	S2N2,S2;			
CHAVES				11	N2;			
100.00%								NMNM 80694

PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910049	NMPM	15S	23E	23	ALL;	N	N	1,840.0000
NM				24	NENE, W2E2, W2, SESE;			
CHAVES				25	ALL;			SENM-S-18
100.00%								SENM-S-20
								SENM-LN-1
								NMNM 80695

9910050	NMPM	20S	23E	29	W2NE, W2, SE;	P	N	560.0000
NM								
EDDY								NMNM 58794
100.00%								NMNM 82837
								NMNM 83543

9910051	NMPM	09S	24E	26	NWSE;	P	N	80.0000
NM				35	NENW;			
CHAVES								SENM-LN-1
100.00%								NMNM 36155

9910052	NMPM	14S	24E	02	SW;	P	N	640.0000
NM				15	SW;			
CHAVES				17	E2;			SENM-S-18
100.00%								SENM-LN-1
								NMNM 70194

9910053	NMPM	14S	24E	20	ALL;	P	N	640.0000
NM								
CHAVES								SENM-S-18
100.00%								SENM-LN-1
								NMNM 70193

PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S. INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910054	NMPM	14S	24E	21	ALL;	P	N	800.0000
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NM
CHAVES
100.00%

33

NW;

SENM-S-18
SENM-LN-1
NMNM 54834
NMNM 70193
NMNM 80946

9910055 NM
EDDY
100.00%

NMPM

18S

24E

29

SW;

P

N

160.0000

NMNM 69569

9910056 NM
EDDY
100.00%

NMPM

18S

24E

31

31

3,4;
E2SW,SE;

P

N

323.2700

SENM-S-18
(SEC.31:L4,SESESE)
NMNM 14747

9910057 NM
EDDY
100.00%

NMPM

19S

24E

05

05

06

06

1,2,3,4;
S2N2,S2;
1,2,3,4,5,6,7;
S2NE,SENW,E2SW,SE;

P

N

1,287.7200

SENM-S-18(SEC.5:
L1-4,S2NW,NWNWNW)
SEC.6:L1-4,6,7,
NESW,N2SE)
NMNM 85845
NMNM 85846

9910058 NM
EDDY
100.00%

NMPM

17S

25E

19

NESE;

P

N

40.0000

NMNM 57225

PARCEL	STATE	MERI-	TOWN			ACQ	FUTURE	ACRES
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	OR	INTEREST	STIPULATIONS
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)	PD	(YES/NO)	NAME
							REV DATE	OLD SERIAL NO.

9910059 NM

NMPM

19S

25E

31

SESE;

P

N

40.0000

EDDY
100.00%

SENM-LN-1
SENM-S-21
NMNM 18959

9910060	NMPM	22S	25E	19	1,2,3,4;	P	N	639.9200
NM				19	E2,E2W2;			
EDDY								SENM-LN-1
100.00%								SENM-S-21
								NMNM 34650
								NMNM 57232

9910061	NMPM	26S	25E	24	N2,N2S2,SWSW,S2SE;	P	N	600.0000
NM								SENM-LN-1
EDDY								SENM-S-18
100.00%								(SEC.24:SWSW,S2S2SE)
								SENM-S-20
								SENM-S-21
								NMNM 63721
								NMNM 78225

9910062	NMPM	23S	26E	31	1,2,3,4;	P	N	636.9600
NM				31	E2,E2W2;			SENM-LN-1
EDDY								SENM-S-17(SEC.31:
100.00%								L1-4,W2E2,SENW,
								E2SW)
								SENM-S-15
								SENM-S-21
								SENM-S-25
								SENM-LN-3

PRIOR LSE NOS.:
NMNM 57233
NMNM 71563
NMNM 88116
NMNM 90808

PARCEL	ACQ	FUTURE	ACRES
STATE	OR	INTEREST	STIPULATIONS
COUNTY	PD	(YES/NO)	NAME
U.S.INTEREST		REV DATE	OLD SERIAL NO.

(A NUMERIC W/O A PREFIX IS A LOT)

9910063	NMPM	26S	26E	05	ALL;	P	N	2,079.7100
NM				07	1,2;			
EDDY				07	NE,E2NW;			SENM-LN-1
100.00%				08	ALL;			SENM-S-18

	9910064 NM EDDY 100.00%	NMPM	16S	27E	25	N2NW,SWNW;	P	N	120.0000
									NMLC 062623B
	9910065 NM EDDY 100.00%	NMPM	17S	27E	18	E2NE,NESE;	P	N	120.0000
									SENMS-18 (SEC.18:SWSENE) NMMN 78234
	9910066 NM EDDY 100.00%	NMPM	16S	28E	24	SESU;	P	N	40.0000
									NMMN 86117
	9910067 NM EDDY 100.00%	NMPM	16S	29E	29	N2NE,SWNE,NENW;	P	N	160.0000
									SENMS-19 (SEC.29:N2NE,SWNE) NMMN 41642

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[illegible]

9910078	NMPM	09S	35E	12	N2;	P	N	320.0000
NM								
LEA								SENM-S-22
100.00%								NMNM 0127905
9910079	NMPM	09S	36E	07	2,3,4;	P	N	276.7300
NM				07	E2W2;			
LEA								SENM-S-22
100.00%								NMNM 86174
9910080	NMPM	06S	37E	30	1,2,3,4;	P	N	303.5200
NM				30	E2W2;			
ROOSEVELT								SENM-S-22
100.00%								NMNM 56769
								NMNM 78282
9910081	IM	01N	10E	22	COALGATE TOWNSITE ADDN 1;	P	N	398.5200
OK				22	BLOCK LOTS;			
COAL				22	10,11,12,13,24,25,26,27;			NM8
100.00%				22	28,29,30,37,38,39,40,43;			ORA-1
				22	44,45,46;			ORA-2
				23	COALGATE TOWNSITE ADDN 2;			
				23	BLOCK LOTS;			
				23	26,27,30,31,32,33,34,35;			OKNM 15334
				23	36,37;			
				27	COALGATE TOWNSHIP ADDN 1;			
				27	BLOCK LOTS;			
				27	47,48;			

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PARCEL						ACQ	FUTURE	ACRES
STATE	MERI-	TOWN				OR	INTEREST	STIPULATIONS
COUNTY	DIAN	SHIP	RANGE	SEC.	SUBDIVISION	PD	(YES/NO)	NAME
U.S.INTEREST					(A NUMERIC W/O A PREFIX IS A LOT)		REV DATE	OLD SERIAL NO.

9910082	IM	17N	18W	20	NENE;	P	N	40.0000
OK								
DEWEY								
100.00%								OKNM 25737

THE SUCCESSFUL BIDDER IS REQUIRED TO JOIN THE COMMUNITIZATION AGREEMENT (CA)
OKNM 74486 (MC-603) PRIOR TO LEASE ISSUANCE.

OPERATOR:
HARDING & SHELTON INC
1925 OKLAHOMA TOWER
210 PARK AVE
OKLAHOMA CITY, OK 73102-5619
(405) 236-0080

9910083	CM	05N	08E	01	SW;	A	N	160.0000
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OK
CIMARRON
25.00%

OKNM 17905

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PARCEL	ACQ	FUTURE	ACRES
STATE	OR	INTEREST	STIPULATIONS
COUNTY	PD	(YES/NO)	NAME
U.S.INTEREST		REV DATE	OLD SERIAL NO.

(A NUMERIC W/O A PREFIX IS A LOT)

9910084	TX	TR	SEE M&B DESCRIPTION;	A	N	22.1500
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TX
HARRIS
75.00%

SITUATED IN HARRIS COUNTY, TEXAS, AND LOCATED APPROXIMATELY 2 1/2 MILES EAST FROM THE TOWN OF HIGHLANDS, TEXAS, AND BEING PART OF THE GEORGE WHITE LEAGUE, AND BEING A PART OF A TRACT OF 4599.94 ACRES CONVEYED BY TYRELL AND GARTH TO THE U.S. GOVERNMENT;
AND BEING THAT TRACT OF LAND DESIGNATED AS COMMUNITY CENTER OF THE SAM HOUSTON FARMS PROJECT, SAID LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH ROW LINE OF THE HOUSTON WALLISVILLE ROAD, SAID POINT BEARING N 89 DEGREES 26' E., 1502.00 FEET FROM THE INTERSECTION OF THE EAST ROW LINE OF WADE ROAD WITH NORTH ROW LINE OF THE SAID HOUSTON WALLISVILLE ROAD, SAID POINT BEING THE SW CORNER OF THE HEREIN DESCRIBED TRACT; THENCE N 0 DEGREES 23' E 1487.0 FEET TO A CORNER; THENCE N 89 DEGREES 26' E 632.6 FEET TO A CORNER; THENCE S 0 DEGREES 13' E 758.8 FEET TO AN ANGLE POINT; THENCE S 3 DEGREES 01'; E 728.7 FEET TO A POINT IN THE NORTH ROW LINE OF THE SAID HOUSTON WALLISVILLE ROAD FOR THE SE CORNER OF THE HEREIN DESCRIBED TRACT; THENCE S 89 DEGREES 26' W WITH THE NORTH ROW LINE OF THE SAID HOUSTON WALLISVILLE ROAD 683.8 FEET TO THE PLACE OF BEGINNING AND CONTAINING 22.15 ACRE OF LAND, MORE OR LESS.

NOTE: A CONDITION OF APPROVAL - NO SURFACE LOCATIONS WILL BE APPROVED WITHIN 300 FEET OF OCCUPIED DWELLINGS.

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PARCEL	ACQ	FUTURE	ACRES
STATE	OR	INTEREST	STIPULATIONS
COUNTY	PD	(YES/NO)	NAME
U.S.INTEREST		REV DATE	OLD SERIAL NO.
MERI- TOWN			
DIAN SHIP RANGE SEC.			
(A NUMERIC W/O A PREFIX IS A LOT)			

9910085	TX	TR	57.465 ACRE TRACT;	A	N	57.4650
TX		TR	DESCRIBED AS THE SAVE &;			
HARRIS		TR	EXCEPT IN THE FOLLOWING;			
75.00%		TR	M&B DESCRIPTION;			

THE FOLLOWING TRACTS WERE CONVEYED FROM THE USA TO LEONARD AND MOORE BY QUITCLAIM DEED. WE ARE LEASING THE 57.465 ACRES DESCRIBED UNDER THE SAVE AND EXCEPT PORTION OF THIS DESCRIPTION.

UNIT NO. 25: TRACT NO. 1, LYING AND SITUATED IN HARRIS COUNTY, TEXAS, AND LOCATED APPROXIMATELY 3 1/2 MILES NORTHEAST FROM THE TOWN OF HIGHLANDS, TEXAS, AND BEING A PART OF THE GEORGE WHITE LEAGUE AND T. PATCHING SURVEY AND BEING A PART OF A TRACT OF 4599.94 ACRES CONVEYED BY TYRELL & GARTH TO THE U.S. GOVERNMENT AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH ROW LINE OF FIG ORCHARD ROAD AND THE WEST ROW LINE OF HANEY ROAD.
THENCE S 10 DEGREES 04' E 2541.7 FEET FOR A CORNER;

THENCE S 89 DEGREES 26' W., 3629.9 FEET FOR A CORNER;
THENCE N 0 DEGREES 13' W 344.2 FEET;
THENCE N 0 DEGREES 43' E 1204.0 FEET FOR A CORNER;
THENCE N 69 DEGREES 04' E 356.4 FEET FOR A CORNER;
THENCE N 34 DEGREES 00' E 800.0 FEET FOR A CORNER;
THENCE N 89 DEGREES 59' E 541.9 FEET FOR A CORNER;
THENCE N 0 DEGREES 01' W 200.0 FEET FOR A CORNER;
THENCE N 89 DEGREES 59' E 1847.1 FEET TO THE PLACE OF BEGINNING, CONTAINING
181.94 ACRES, MORE OR LESS.

TRACT NO. 2: STARTING AT THE INTERSECTION OF THE SOUTH ROW LINE OF FIG ORCHARD
ROAD AND THE WEST ROW LINE OF HANEY ROAD;
THENCE S 89 DEGREES 59' W., 1847.1 FEET FOR THE PLACE OF BEGINNING;
THENCE S 0 DEGREES 01' E 200.0 FEET FOR A CORNER;
THENCE S 89 DEGREES 59' W 541.9 FEET FOR A CORNER;
THENCE N 34 DEGREES 00' E 241.3 FEET FOR A CORNER;
THENCE N 89 DEGREES 59' E 406.9 FEET, TO THE PLACE OF BEGINNING CONTAINING 2.178
ACRES, MORE OR LESS.

SAVE AND EXCEPT, HOWEVER, THERE IS EXCEPTED AND RESERVED FROM THE ABOVE
DESCRIBED PROPERTY, THAT PORTION OF THE SAME WHICH IS DESCRIBED BY METES AND
BOUNDS AS FOLLOWS:
BEGINNING AT AN IRON ROD SET IN THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE
OF THE FIG ORCHARD ROAD, AND THE WEST RIGHT OF WAY LINE OF HANEY ROAD, SAID
SOUTH RIGHT OF WAY LINE BEING 30 FEET AT RIGHT ANGLES FROM THE CENTERLINE OF
SAID FIG ORCHARD ROAD,
THENCE S 89 DEGREES 59' WEST ALONG THE SOUTH RIGHT OF WAY LINE PARALLEL TO AND
30 FEET FROM THE CENTERLINE OF FIG ORCHARD ROAD 1268.75 FEET TO AN IRON PIPE SET
IN THE INTERSECTION OF AN EXISTING HOG WIRE FENCE;
THENCE S 00 DEGREES 35' EAST ALONG THE SAID HOG WIRE FENCE PASSING AT 674 FEET
THE MOST SOUTHERN CORNER OF SAID HOG WIRE FENCE, CONTAINING SOUTH 00 DEGREES 35'
EAST ACROSS AN IRRIGATION CANAL TO A POINT, AN IRON PIPE SET 5 FEET SOUTH OF THE

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PARCEL	ACQ	FUTURE	ACRES
STATE	OR	INTEREST	STIPULATIONS
COUNTY	PD	(YES/NO)	NAME
MERI- TOWN			
DIAN SHIP RANGE SEC.			
U.S.INTEREST	(A NUMERIC W/O A PREFIX IS A LOT)	REV DATE	OLD SERIAL NO.

SOUTH RIGHT OF WAY LINE OF SAID CANAL, IN ALL A DISTANCE OF 1558.00 FEET;
THENCE SOUTH 75 DEGREES 18' EAST PARALLEL TO AND FIVE FEET SOUTH OF SAID CANAL
RIGHT OF WAY 1660.20 FEET TO A POINT AN IRON PIPE, SET IN THE WEST RIGHT OF WAY
LINE OF HANEY ROAD, SAID POINT BEING 531.30 FEET NORTH 10 DEGREES 4' WEST FROM
THE SOUTHEAST CORNER OF TRACT NO. 1 OF UNIT NO. 25, AS REFERRED TO IN THE
AFORMENTIONED DEED;
THENCE NORTH 10 DEGREES 4' WEST ALONG, THE WEST RIGHT OF WAY LINE OF HANEY ROAD
2010.39 FEET TO THE POINT OF BEGINNING CONTAINING 57.465 ACRES OF LAND MORE OR
LESS.

NOTE: A CONDITION OF APPROVAL - NO SURFACE LOCATIONS WILL BE APPROVED WITHIN 300
FEET OF OCCUPIED DWELLINGS.

9910086	TX	TR	14-O-H,14-O-I-R;	A	N	6.2700
TX						
STARR						IBWC(SS-1B)
100.00%						

INTERNATIONAL BOUNDARY & WATER COMMISSION

TR 14-0-H .28 ACRES
TR 14-0-I-R 5.99 ACRES

9910087	TX	TR	Z-82-A;	A	N	22.3100
TX						
ZAPATA						IBWC(SS)
100.00%						IBWC(SS-1C)
						TXNM 42855

INTERNATIONAL BOUNDARY & WATER COMMISSION
FALCON DAM PROJECT

WETLAND/RIPARIAN STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s):

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**Bureau of Land Management
Oklahoma Field Office**

**ORA-2
November 1991**

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below. The lands may be drilled directionally from an off-site location where occupancy is allowed.

On the lands described below:

For the purpose of: Protection of a resource or use not compatible with oil and gas development.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**Bureau of Land Management
Oklahoma Resource Area Office**

**ORA-4
November 1991**

FLOODPLAIN PROTECTION STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

For the following described land(s):

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**Bureau of Land Management
Oklahoma Field Office**

**ORA-1
November 1991**

LEASE NOTICE
THREATENED AND ENDANGERED SPECIES

According to preliminary information all or portions of this lease area could contain Federal and/or State-listed threatened or endangered species and/or their habitats. Any proposed surface disturbing activity may require an inventory and consultation with the U.S. Fish and Wildlife Service and/or the State Wildlife agency. The consultation could take up to 180 days to complete. Surface occupancy could be restricted or not allowed as a result of the consultation. Appropriate modifications of the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

Bureau of Land Management
Oklahoma Field Office

ORA(LN-1)
November 1991

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : District Ranger
Cimarron National Grassland
At : 242 Hwy 56 East
P. O. Box 300
Elkhart, KS 67950
Telephone No. : ((316) 697-4621

Who is the authorized representative of the Secretary of Agriculture.

LEASE NOTICE

CULTURAL AND PALEONTOLOGICAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site specific cultural resource inventory is required.
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include re-location or proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U. S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or paleontological resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

ENDANGERED OR THREATENED SPECIES - The FS is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened Species or their habitats..

The lessee/operator may, unless notified by the FS that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resource specialist approved by the FS. An acceptable report must be provided to the FS identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

LEASE NOTICE
SPECIAL USES/EASEMENTS

(EXISTING OCCUPANCIES -- PIPELINES & WATER WELLS)

A special use permit has been issued to Johnny Boaldin for a buried gas pipelines Right-of-Way Use occupying 3.3 acres or .9 miles located on the lands described below:

T. 35 S., R. 43 W.
Sec. 19: S2

In addition the Forest Service owns and operates three water wells within the parcel. The wells are located as follows: (See parcel map)

T. 35 S., R. 43 W.
Sec. 07: NENW
Sec. 18: NWNE
Sec. 19: NWNE

In accordance with Section 6 of the Standard Lease Terms, exploration and development activities must occur as to avoid damage to the improvements or interference with this authorized use.

R43W

T35S

**SLT
LN**

EXHIBIT A

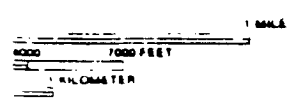
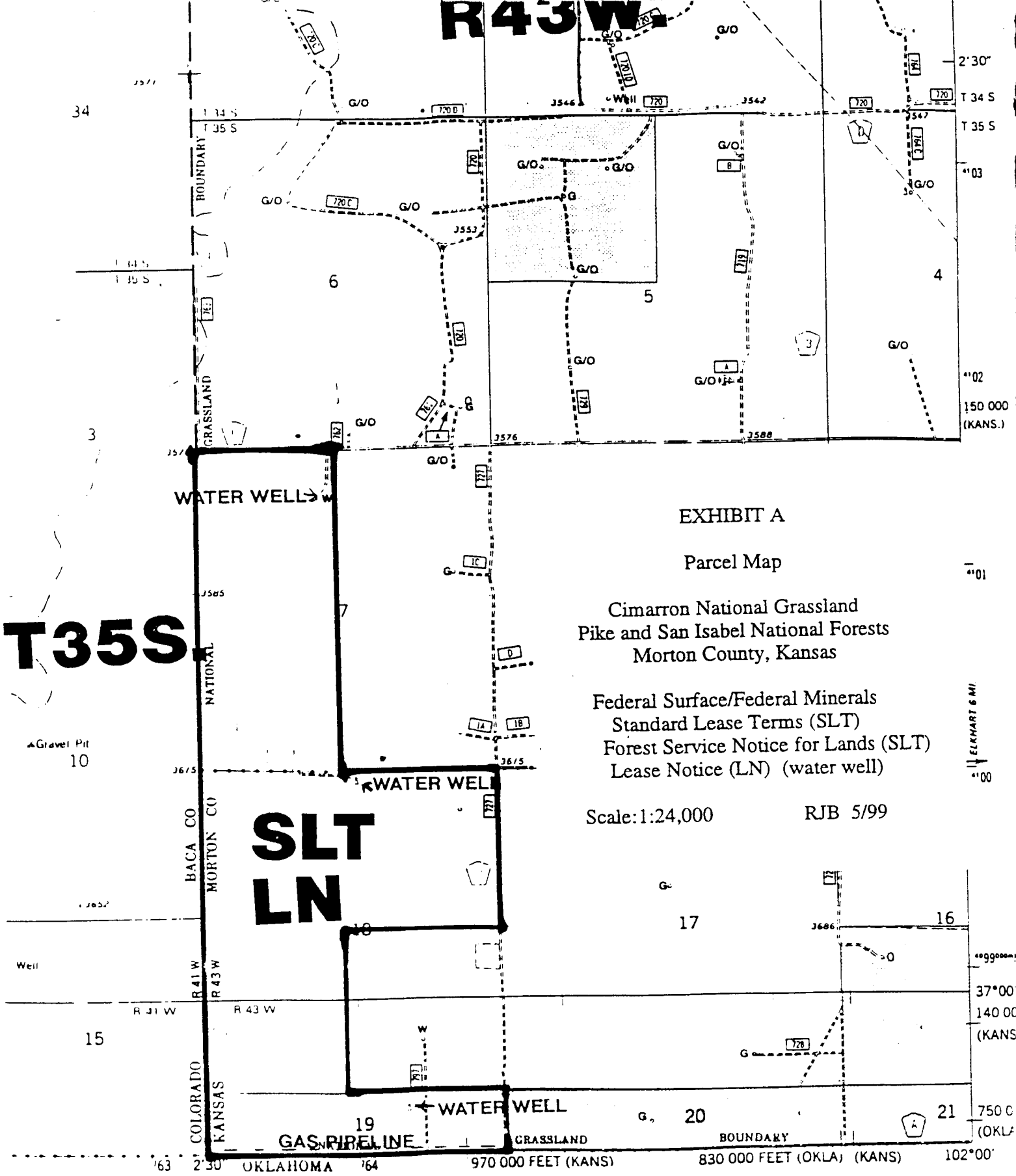
Parcel Map

Cimarron National Grassland
Pike and San Isabel National Forests
Morton County, Kansas

Federal Surface/Federal Minerals
Standard Lease Terms (SLT)
Forest Service Notice for Lands (SLT)
Lease Notice (LN) (water well)

Scale: 1:24,000

RJB 5/99



102°00' 101°45' 101°30' 30°

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the land described below:

For the purpose of: Protection of wildlife habitat areas, recreational values, and cultural values.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**Bureau of Land Management
Taos Resource Area Office**

December 1992 TS-3

CONTINENTAL DIVIDE TRAIL

No occupancy or other surface disturbance will be allowed within 1000 feet of the Continental Divide National Scenic Trail Treadway. This distance may be modified when specifically approved in writing by the Bureau of Land Management at the address shown below:

Address:

**Albuquerque Field Office
435 Montano NE
Albuquerque, NM 871071808

(505) 761-8700**

**Bureau of Land Management
New Mexico State Office**

**NM-6
October 1, 1989**

STIPULATION
DESIGNATED CRITICAL AREA OF
ENVIRONMENTAL CONCERN

The lessee is given notice that all or portions of the lease area contain special values, are needed for special purposes, or require special attention to prevent damage to surface resources. Any surface use or occupancy within such areas will be strictly controlled. Use or occupancy will be authorized only when the lessee/operator demonstrates that the area is essential for operations and when the lessee/operator submits a surface use and operations plan which is satisfactory to the Bureau of Land Management for the protection of these special values and existing or planned uses. Appropriate modifications to the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

After the Bureau of Land Management has been advised of the proposed surface use or occupancy on these lands, and on request of the lessee/operator, the Bureau of Land Management will furnish further data on such areas.

Reason for Restriction: Designated Area of Critical Environmental Concern.

Duration of Restriction: Year-round

Prior to acceptance of this stipulation the prospective lessee is encourage to contact the Bureau of Land Management for further information regarding the restrictive nature of this stipulation.

Bureau of Land Management
Rio Puerco Resource Area

RP-5

NOTICE TO LESSEE
STIPULATIONS AND REQUIREMENTS
FOR HIDALGO COUNTY

NOTE: The following requirements and stipulations will be considered as mitigation for activities associated with oil and gas leasing in this area.

SPECIAL BIOLOGICAL REQUIREMENTS FOR LEASE OPERATIONS:

- 1. Surface disturbing and drilling activities may impact bird species covered by the Migratory Bird Treaty Act. Such activities occurring during the nesting season, March 1 through August 31, may cause nests to be abandoned. The operator and onsite work crews will be responsible for complying with the provisions of the MBTA.**
- 2. Additional surveys would be required for occurrence of BLM species of concern depending on location and time of year of activities.**
- 3. If new information becomes available regarding threatened and endangered species in the lease area additional requirements may be required.**

SURFACE REQUIREMENTS FOR LEASE OPERATIONS:

- 1. Contact the Las Cruces Field Office at (505) 525-4300 a minimum of 3 working days prior to commencing construction of reads and pads. If construction begins during the aplomado falcon nesting season (if applicable) of February 1 through July 31, then the Las Cruces Field Office needs to be contacted a minimum of 3 weeks in advance so that an aplomado falcon survey can be conducted.**
- 2. Permanent access roads constructed shall conform to the “STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS IN THE ROSWELL FIELD OFFICE, BLM”.**
- 3. All topsoil and vegetation encountered during the construction of drill sites shall be stockpiled and made available for resurfacing of the disturbed areas after completion of the drilling operations.**
- 4. Produced or drilling fluids could cause long-term damage of soils, groundwater, and vegetation on and adjacent to the drill site in the event of a breach, overflow, or spill. Locate fluid containers (fuel tanks, completion fluids, mud tanks, etc.) on the upslope side of drilling pads whenever possible to facilitate early detection of leaks/spills. Line mud pits and upon closure of the mud pit, bury all drilling fluids, cuttings, completion fluids and/or other products of drilling and completion in the mud pit with a minimum of 24 inches of cover to assure successful revegetation of the reclaimed pit.**

5. Tank batteries shall have a berm constructed around them, 24" high and of sufficient dimensions to contain the contents of the largest tank from spilling out of the confines of the locality.
6. Spills and leaks of fuels, lubricants, and hydraulic fluids can contaminate soil and water, endangering livestock and wildlife, and reduce or preclude plant growth. Leaking equipment will be promptly repaired or removed from the site. Contaminated soil and water will be promptly placed in containers to be removed from the site after the end of drilling and completion operations.
7. All waste from any other operations will be contained in steel tanks or lined pits (limited to approximately 2' wide x 10' long x 3' deep--for example, temporary septic tanks) and removed to an approved disposal site.

SURFACE RESTORATION FOR LEASE OPERATIONS:

The operator will comply with all requirements set forth by the Authorized Officer pertaining to reclamation of this location.

Other -

1. During and after drilling and completion activity, pits will be surrounded by a BLM standard 4-strand barbed wire fence. Leave fence in place for a minimum of 2 growing seasons after reclamation. Similarly, after abandonment and reclamation of the pad, a BLM standard 4-strand barbed wire fence will be erected to exclude cattle for a minimum of 2 growing seasons.
2. Some small wildlife species may be killed and/or their dens or nests destroyed during construction and operation of pads. A BLM biologist will review the project locations to identify site specific wildlife features. Pad locations and access routes will be located so as to minimize impacts to non-avian wildlife species
3. The operator will be responsible for noxious weed control on access roads and pads. This will include, but is not limited to:
 - a. Clean all equipment of all mud, dirt, and plant parts before moving out of town.
 - b. Re-establish vegetation on all disturbed areas during the natural growing season or as soon as possible after use ceases. Use a native seed mix (attached) that includes fast, early-growing species to provide quick, dense revegetation. Seed must be certified relatively weed free and/or analyzed before purchase to ensure minimum weed content.

Options: i. Fertilization concurrent with seed application and follow-up fertilization;

ii. Apply relatively weed-free mulch with seeding;

iii. Double seed, full rate at initial surface

Disturbance, and full rate again at closure.

c. All fill material must come from relatively weed-free sources.

d. Use of pesticides and herbicides shall comply with applicable Federal and State laws. Pesticides and herbicides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, holder shall obtain written approval from the Authorized Officer (AO) of a plan showing the type and quantity of materials to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the AO. Emergency use of pesticides shall be approved in writing by the AO prior to use.

4. Contaminated soil and water will be promptly placed in containers to be removed from the site upon completion of drilling and completion operations.

5. Noise-The solitude of the area will be disturbed by the noise of drilling, testing, completion and production of the wells.

No mitigation is required during drilling, testing and completion because these are temporary activities. Any internal combustion engines used for production of the wells will be muffled.

ON LEASE SURFACE REQUIREMENTS PRIOR TO DRILLING:

1. Prior to commencing construction of road, pad, or other associated developments, the operator will provide the dirt contractor with a copy of the approved Surface Use Plan and lease stipulations.

2. Gravel or other related materials from new or existing pits on Federal mineral estate will not be taken without prior approval from the authorized officer.

3. Payment for any off lease Federal mineral materials used for construction is required prior to construction of the pad and access road.

4. Confine all vehicles and equipment associated with drilling, completion, or production phases of wells to the approved road, pad, and other approved areas.

5. Archeological or Historical Sites:

The lessee/operator shall comply with all cultural resource laws and policies. The lessee/operator shall immediately report the discovery of any cultural resources encountered during dirt work and shall immediately cease operations until advised to recommence work by the authorized officer. Further, the company shall be held responsible for the conduct of its employees and subcontractors while on lease. Any unauthorized collection or disturbance of cultural resources by these persons may result in a shutdown order by the authorized officer.

6. Paleontology Requirements:

Fossils or vertebrate animals discovered during any phase of the operation will be left undisturbed, and the lessee/operator shall immediately report the discovery of any paleontological resources encountered during dirt work and shall immediately cease operations until advised to recommence work by the Authorized Officer. Unauthorized collection or disturbance of paleontological resources by company employees and subcontractors while on lease may result in a cessation order by the Authorized Officer.

7. NAGPRA Stipulation:

The operator, lessee, permittee, allottee, or party receiving authorization by the Bureau of Land Management is obligated to comply with procedures established in the NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the disturbance shall immediately cease and the BLM contacted within 24 hours for instructions. The holder of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes.

8. Painting Stipulations:

All above-ground permanent facilities, including, but not limited to, tanks separators, heater treaters, and piping 4-inches in diameter or greater shall be painted Carlsbad Canyon, Munsell Soil, Color-25Y 6/2 within 60 days of installation (unless contrary to State and Federal safety requirements). Any deviations must be authorized in advance by the BLM.

9. Existing Fences:

Each existing fence to be crossed by the permittee will be braced and tied off before cutting, so as to prevent slacking of the wire. The opening will be protected as necessary during operations to prevent the escape of livestock; and upon completion, the fence will be repaired back to the original standard of the existing fence. Unless otherwise approved, a cattleguard will be installed and maintained to prevent movement of livestock, while an opening in the fence is in use.

ABANDONMENT:

1. If well is dry and is to be plugged, approval of the proposed plugging program may be obtained orally, as to the plugging of the well bore. However, oral approval must be confirmed in writing by immediately filing an original and six (6) copies of the Notice of Intention to Abandon on Form 3160-5 with the BLM Las Cruces Field Office. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where plugs are to be placed, type of plug, type of plugging mud, etc.
2. Following receipt of "Notice of Intent to Abandon", and the "Subsequent Report of Abandonment", final BLM requirements for surface reclamation will be specified by the approving BLM office. Liability under bond will be retained until the surface restoration is completed and the "Final Abandonment Notice" is approved by the Authorized Officer.

SPECIAL STIPULATIONS -

HAZARDOUS SUBSTANCES:

1. Hazardous substances listed in 40 CFR 302.4 and 40 CFR 355 shall be handled in such a way that releases of reportable quantities as defined by 40 CFR 302.4 and 40 CFR 355 do not occur. If a release should occur, the operator must follow the requirements of the National Contingency Plan (40 CFR 300) and also notify the BLM immediately, phone (505) 624-1790.
2. All use, transport, treatment, storage and disposal of hazardous substances/wastes shall be conducted in conformance with all federal, state and local environmental regulations. Furthermore, approval of this 1717 application by BLM does not mean that BLM has determined that you are in compliance with all applicable federal, state and local regulations. A BLM approval means that you have met BLM requirements only. Only the appropriate federal, state and local agencies can determine whether you are in compliance with all use, transport, treatments, storage and disposal regulations.

SLOPES OR FRAGILE SOILS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

For the purpose of: Protecting Slopes or Fragile Soils

SENM-LN-3

LEASE NOTICE
PROTECTION OF ENDANGERED OR THREATENED
OR SENSITIVE SPECIES

The following species have been identified as occurring on or in the vicinity of the lease areas. The lease areas may contain essential habitat for the continued existence of these species: Kuenzler hedgehog cactus (*Echinocercus fendleri* var. *Kuenzleri*).

The Federal surface management agency is responsible for assuring that the leased lands are examined prior to undertaking any surface disturbing activities on lands covered by these leases, to determine effects on any plant or animal species listed or proposed for listing as endangered or threatened or their habitats.

In accordance with Section 6 of the lease terms and in order to comply with the Endangered Species Act of 1972, the lessee may be required to conduct an examination on the lands (including access routes to the lease areas) to be affected by the proposed action to determine if threatened or endangered species are present or may be affected by the proposed action. This survey would be done by a resource specialist approved by the surface management agency. An acceptable report is to be submitted for approval to the surface management agency identifying the anticipated effects of the proposed action on endangered or threatened species and their habitat. If the examination determines that the action may detrimentally affect a species listed or proposed for listing as an endangered or threatened species, restriction to the lessee's proposal or even denial of any beneficial use of the lease may result. The lessee will take such measures as may be required by the authorized officer to protect such species.

Bureau of Land Management
Roswell Field Office

SENM-LN-3
February 1992

STREAMS, RIVERS, AND FLOODPLAINS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

PLAYAS AND ALKALI LAKES

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of PLAYAS of alkali lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if Playa lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement. mitigation could include: installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting plays basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

For the purpose of: Protecting Playas and Alkali Lakes

SPRINGS, SEEPS AND TANKS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: Protecting Springs, Seeps and Tanks

SENM-LN-1

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or portion of the lease are located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

Bureau of Land Management
Roswell/Carlsbad Field Office

SENM-LN-1
February 1991

CAVES AND KARST

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

SENM-S-15

WILDLIFE HABITAT PROJECTS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted.

This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

For the purpose of: Protecting Wildlife Habitat Projects

VISUAL RESOURCE MANAGEMENT

Surface occupancy or use is subject to the following special operating constraints:

Painting of oil field equipment and structures to minimize visual impacts will be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required ,when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will b painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: Protecting Visual Resources Management

POTASH STIPULATION

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986)

The lessee further agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

On the land(s) described below:

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
Revised December 1996

STIPULATION
(NO SURFACE OCCUPANCY)

No surface occupancy or use is allowed on the lands described below:

For the purpose of:

- a. Preventing hazards to oil and gas drilling operations due to drilling through open potash mine workings, cavities or voids over which the lands are situated.**
- b. Preventing open potash mine workings from becoming gassey thereby creating a hazard to human health and safety during underground mining.**
- c. Protecting critical, economically important potash resources within the Secretary's Potash Area as discussed in the Carlsbad Resource Management Plan.**

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m.. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low prairie chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Prairie Chickens

**Bureau of Land Management
Roswell/Carlsbad Field Offices**

**SENM-S-22
December 1997**

LEASE NOTICE
COAL PROTECTION

Federal coal resources exist on this lease. Operations authorized by this lease may be altered or modified by the authorized officer (at the address shown below) in order to conserve and protect the mineral resources and provide for simultaneous operations.

Address:

**Tulsa Field Office
Ste. 101, 7906 E 33Rd St
Tulsa, OK 74145**

(918) 621-4100

**Bureau of Land Management
New Mexico State Office**

**NM-8
April 2, 1991**

Notice
for
Parcels 9910084 and 0010085

**NO SURFACE LOCATIONS WILL BE APPROVED
WITHIN 300' OF OCCUPIED DWELLINGS.**

SPECIAL STIPULATIONS
INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

1. No surface location of a drilling or exploration site nor the subsurface vertical projection to the surface of any borehole is to be located within 701.04 meters (2300') of the centerline of the dam embankment, the concrete spillway or other major engineering features, as shown on International Boundary and Water Commission (IBWC) Drawing No. 24308, attached. No borehole should be permitted on or under the restricted U.S. property and operators of wells offsetting the U.S. property should provide copies of directional surveys to establish that Texas Railroad Commission spacing regulations are met, i.e., 467 feet from property line.
2. The term of the lease should be as short as is consistent with U.S. government Regulations.
3. All operations associated with the exploration, development and production of oil and gas must be conducted so as to prevent the alteration of the physical, thermal, chemical or biological quality of, or the contamination of, any surface or subsurface water in the area that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or to public health, safety or welfare, or impairs the usefulness of the public enjoyment of the water. All state(Railroad commission rules 7,8,13,15,20 and 21) and Federal rules must be observed.
4. Copies of all records of oil and gas operations during the term of the lease must be provided to the U.S. Section of the IBWC as they are filed with the regulatory agencies or, in the case of unfiled data, once they become available.
5. All leases on these Federal lands must require that subsurface pressure tests be taken every six months on any wells drilled and completed as producing or injection wells and that the results be promptly provided to the U.S. Section of the IBWC. This data should also be requested from all oil and gas operators in the vicinity of the dam and related engineering structures.
6. No drilling or exploration within the leased area is permitted until an Environmental Impact Statement is completed in conformance with the National Environmental Policy Act.
7. The establishment of a surface location(drilling pad) for drilling or exploration will not be permitted without prior approval from the U.S. Section of the IBWC.
8. Access to leased area will be from private land and no access will be permitted within Government right-of-way unless approved by U.S. Section of the IBWC.

SPECIAL STIPULATIONS
INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

- 1. The lessee understands and agrees that a negative easement is imposed in and upon said land to prohibit the drilling or deepening of any well for the purpose of producing oil and/or gas and other minerals provided, however, that exploration and development of oil and/or gas and other minerals under said land may be permitted by directional drilling from locations off the said land and above the 307-foot elevation traverse;**
- 2. No drilling operations are permitted which will cause contamination of the Falcon Reservoir, or the Rio Grande. Before drilling operations commence, works including, but not limited to, a reserve pit, satisfactory to and as required by the United States Commissioner, International Boundary and Water Commission, United States and Mexico, shall be constructed of sufficient size and maintained so as to hold all contaminants, well cuttings, trash, debris, refuse, etc., and to prevent them from getting into Falcon Reservoir or into the Rio Grande; and further, the lessee shall be liable for all damages due to contamination of the Falcon Reservoir, or the Rio Grande, resulting from his operations.**
- 3. The lessee agrees that all drilling, exploration, development and producing operations will be in conformance with the requirements of the Texas Railroad Commission and agencies of the State of Texas responsible for environmental concerns.**
- 4. The lessee agrees not to subdivide or assign such lease without the prior written approval of the said United States Commissioner, International Boundary and Water Commission, The Commons, Building C, Suite 310, 4171 North Mesa, El Paso, TX 79902, has been requested and obtained, prior to any submission for approval to the Department of Interior.**
- 5. Prior to any drilling operations, all requirements of the National Environmental Policy Act (NEPA) will be completed and reports provided to the Bureau of Land Management (BLM) and the International Boundary and Water Commission (IBWC).**

SPECIAL STIPULATIONS
INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

1. The Lessee understands and agrees that drilling operations are prohibited below the 307-foot elevation traverse; however, exploration, development and producing operations are permitted by directional drilling from locations above the 307-foot elevation traverse;
2. Before any drilling operations commences, a reserve pit, satisfactory to the United States Commissioner, will be made of sufficient size to hold all contaminants, trash, etc., so that no contaminants or well cuttings will get into Falcon Reservoir or into the Rio Grande;
3. Upon completion of the well, all pits-- after settling or drying--will be filled and the location area will be graded so as to resemble, as nearly as practicable, the land conditions prior to drilling;
4. The Lessee agrees not to subdivide or assign any portion of this lease without the prior written approval of the United States Commissioner, International Boundary and Water Commission, United States and Mexico, The Commons Building C, Suite 310, 4171 North Mesa, El Paso, Texas 79902, first had and obtained prior to any submission for approval to the Department of the Interior.
5. Prior to any drilling operations, all requirements of the National Environmental Policy Act (NEPA) will be completed and reports provided to the Bureau of Land Management (BLM) and the International Boundary and Water Commission (IBWC).